

**STAFF REPORT
C19**

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08/23/18
W 27155
M. Schroeder

GENERAL LEASE – RIGHT-OF-WAY USE

APPLICANT:

Pacific Gas and Electric Company

PROPOSED LEASE:

AREA, LAND TYPE, AND LOCATION:

Sovereign land in the Feather River, adjacent to Sutter County Assessor's Parcel Number 10-270-007 and Yuba County Assessor's Parcel Number 018-040-003, near Yuba City, Sutter County and Marysville, Yuba County.

AUTHORIZED USE:

Replacement, use and maintenance of an existing, unauthorized double-circuit 115kV overhead transmission line.

LEASE TERM:

25 years, beginning August 23, 2018.

CONSIDERATION:

\$5,660 per year, with an annual Consumer Price Index adjustment; and the State reserving the right to fix a different rent on each 10th anniversary of the lease term, as provided in the lease.

SPECIFIC LEASE PROVISIONS:

1. Liability insurance in the amount of no less than \$5,000,000 per occurrence or equivalent staff-approved self-insurance program.
2. Lessee will take all reasonable and necessary actions to prevent, suppress, and control fires on the Lease Premises.
3. No herbicidal chemical may be used for vegetation control without the prior written consent of the Lessor's staff.

STAFF ANALYSIS AND RECOMMENDATION:

Authority:

Public Resources Code sections 6005, 6216, 6301, 6501.1, and 6503;
California Code of Regulations, title 2, sections 2000 and 2003.

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Public Trust and State's Best Interests Analysis:

Pacific Gas and Electric Company (PG&E) (Applicant) has applied for a General Lease – Right-of-Way Use for the replacement, use and maintenance of an existing double-circuit 115-kilovolt (kV) overhead transmission line.

The Applicant's overhead transmission line over the Feather River has existed for many years but was not previously authorized by the Commission. The Applicant has a right to use the uplands adjoining the lease premises.

The overhead transmission line is a component of the Palermo-Rio Oso overhead transmission system providing power to more than 100,000 customers in the communities of Oroville, Palermo, Honcut, Tierra Buena, Yuba City, Marysville, Linda, Olivehurst, Plumas Lake, Rio Oso, and East Nicolaus. The Palermo-Rio Oso system is composed of several transmission lines that connect Palermo, Pease, Bogue, and Rio Oso substations. The South of Palermo Line is a single-circuit line on transmission towers from Palermo Junction to Rio Oso Junction. The four remaining line segments branching off from this line are double-circuit tower lines that carry two individual 115 kV lines on one set of transmission towers. Many of the structures within the Palermo-Rio Oso system were built in the early 1900s and require replacement. The California Independent System Operator has identified the need to improve and upgrade this system to address overloads and potential power outages affecting customers in the service area.

To update the aging facilities and maintain reliability, the Applicant is proposing to replace the existing overhead transmission line on the Pease Sub Line segment with new cable. The double-circuit overhead transmission line was constructed in 1960 and is supported by approximately 25 lattice steel towers. It extends approximately 5.2 miles from the South of Palermo Line at Pease Junction northeast of Marysville, near the intersection of Jack Slough Road and Kimball Lane, terminating at Pease Substation at the intersection of Pease Road and Tierra Buena Road near the community of Tierra Buena. It crosses over the Feather River, State Route's 70 and 99, several agricultural operations, and a small portion of Yuba City. As part of the project, a lattice steel tower will be replaced on upland property, and several other lattice steel towers will have extensions installed, raising the height of the towers by approximately 10 to 20 feet. Only the Feather River crossing is subject to the Commission's jurisdiction. Replacement of the overhead transmission

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line will be conducted by helicopter with limited ground access on existing access roads. As a result, disturbance or impacts to State Sovereign Lands are expected to be minimal. Project work is expected to begin in late summer or fall of 2018.

The existing overhead transmission line has existed for many years at this location. Furthermore, the existing overhead transmission line does not significantly alter the land, the lease does not alienate the State's fee simple interest, and neither permanently impairs public rights. The lease is limited to a 25-year term and does not grant the lessee exclusive rights to the lease premises. Upon termination of the lease, lessee may be required to remove all improvements from State land. The proposed lease requires the lessee to indemnify the State for any liability incurred as a result of the lessee's activities thereon.

Climate Change:

The combination of more frequent and longer duration weather patterns contributing to high winds, low humidity, extreme heat, and thunderstorm and lightning events for California's forested mountain regions has contributed to an increasingly aggressive wildland fire season as a related product of climate change. This threat can be further elevated through prolonged drought conditions and a lack of forest fuels reduction management for forest land areas. In addition, as stated in the *Safeguarding California Plan: 2018 Update* (California Natural Resources Agency 2018), climate change is projected to increase the frequency and severity of natural disasters related to flooding, fire, drought, extreme heat, and storms.

The vegetated land setting of the subject State parcel and surrounding land is vulnerable to these weather events and the threat of wildland fires. Pursuant to the proposed lease, the Applicant acknowledges that the lease premises are located in an area that may be subject to effects of climate change. Conversely, the Applicant is responsible for ensuring that the lease premises, transmission line, and pole line extension are maintained in a manner that does not contribute to wildland fire hazards. Regular maintenance of vegetation within the lease premises, the existing facilities under lease, and access to the lease premises will help minimize the threat of fire hazards to the lease premises.

The project area is not tidally influenced and therefore would not be subject to sea-level rise. However, as previously noted, climate change is projected to increase the frequency and severity of natural disasters related to flooding, drought, and storms. In rivers, more frequent and

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powerful storms can result in increased flooding conditions and damage from storm created debris. Conversely, prolonged droughts could dramatically reduce river flow and water levels, leading to loss of public access and navigability. Climate change will further influence riverine areas by changing erosion and sedimentation rates, flooding and storm flow, and runoff; and will likely increase scour, decreasing bank stability at a faster rate.

The proposed transmission line towers will be outside of any variable water levels of the Feather River and on the landward side of the levee toes. The transmission line will span the Feather River and will not be susceptible to water levels rising and falling with storms and droughts. However, regular maintenance, as required by the lease, will reduce the likelihood of severe structural degradation or disruption of electrical power.

Conclusion:

For all the reasons above, Commission staff believes the issuance of this lease will not substantially interfere with Public Trust needs at this location, at this time, and for the foreseeable term of the proposed lease, and is in the best interests of the State.

OTHER PERTINENT INFORMATION:

1. This action is consistent with Strategy 1.1 of the Commission's Strategic Plan to deliver the highest levels of public health and safety in the protection, preservation, and responsible economic use of the lands and resources under the Commission's jurisdiction.
2. A Mitigated Negative Declaration, State Clearinghouse No. 2017042051, was prepared by the California Public Utilities Commission and adopted on May 10, 2018, for this project. Staff has reviewed such document.

A Mitigation Monitoring Program was adopted by the California Public Utilities Commission. Impacts of constructing the overhead transmission line over the Feather River are minimal and mitigation measures identified in the Mitigated Negative Declaration for the project do not apply to lands under the Commission's jurisdiction; therefore, the Commission's adoption of the Mitigation Monitoring Program is not necessary.

3. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq., but such activity will not affect those significant lands. Based upon staff's consultation with the persons nominating such lands and through the California Environmental Quality Act (CEQA) review process, it is

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staff's opinion that the project, as proposed, is consistent with its use classification.

APPROVALS OBTAINED:

Central Valley Flood Protection Board
U.S. Army Corps of Engineers

FURTHER APPROVALS REQUIRED:

California Public Utilities Commission

EXHIBITS:

- A. Land Description
- B. Site and Location Map

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that a Mitigated Negative Declaration, State Clearinghouse No. 2017042051, and a Mitigation Monitoring Program were prepared by California Public Utilities Commission and adopted on May 10, 2018, for this project and that the Commission has reviewed and considered the information contained therein; that in the Commission's independent judgement, the scope of activities to be carried out under the lease to be issued by this authorization have been adequately analyzed; that none of the events specified in Public Resources Code section 21166 or the State CEQA Guidelines section 15162 resulting in any new or substantially more severe significant impact has occurred; and, therefore no additional CEQA analysis is required.

PUBLIC TRUST AND STATE'S BEST INTERESTS:

Find that the proposed lease for the relocation, use, and maintenance of the existing improvements will not substantially interfere with the Public Trust needs and values at this location, at this time, and for the foreseeable term of the lease, and is in the best interests of the State.

SIGNIFICANT LANDS INVENTORY FINDING:

Find that this activity is consistent with the use classification designated by the Commission for the land pursuant to Public Resources Code section 6370 et seq.

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AUTHORIZATION:

Authorize issuance of a General Lease – Right-of-Way Use, to Pacific Gas and Electric Company beginning August 23, 2018, for a term of 25 years, for the replacement, use and maintenance of an existing 115kV overhead transmission line, as described in Exhibit A and shown on Exhibit B (for reference purposes only), attached and by this reference made a part hereof; annual rent in the amount of \$5,660, with an annual Consumer Price Index adjustment and the State reserving the right to fix a different rent on each 10th anniversary of the Lease term, as provided in the Lease; and self-insurance or third-party liability insurance in an amount no less than \$5,000,000 per occurrence.

EXHIBIT A

W27155

LAND DESCRIPTION

A strip of submerged land, whether filled or unfilled, 60.00 feet wide, in the bed of the Feather River, Sutter and Yuba Counties, California, lying 30.00 feet on each side of the following described centerline:

COMMENCING at Height Modernization Survey Station "K 1435" (NGS PID: KS1971), with a CCS83, Zone 2 (Epoch 2010.00), U.S. Survey Foot coordinate of N: 2,173,621.18, E: 6,674,279.18;

thence N 06°29'37" W, 17,025.9 feet to the center of an existing Pacific Gas & Electric Company electric transmission tower, being the POINT OF BEGINNING;

thence, along said centerline, S 79°36'27" W, 1231.61 feet to a tower, being the POINT OF TERMINATION.

EXCEPTING THEREFROM all portions of said strip lying landward of the low water marks of the left and right banks of said Feather River.

The bearings and distances used in the above description are based on the California Coordinate System of 1983, Zone 2. Distances are U.S. Survey Foot grid distances.

This real property description has been prepared by me in conformance with the Professional Land Surveyors Act on August 7, 2017.

END OF DESCRIPTION



APPROVED AS TO DESCRIPTION

Curt C. Castro, PLS 8714

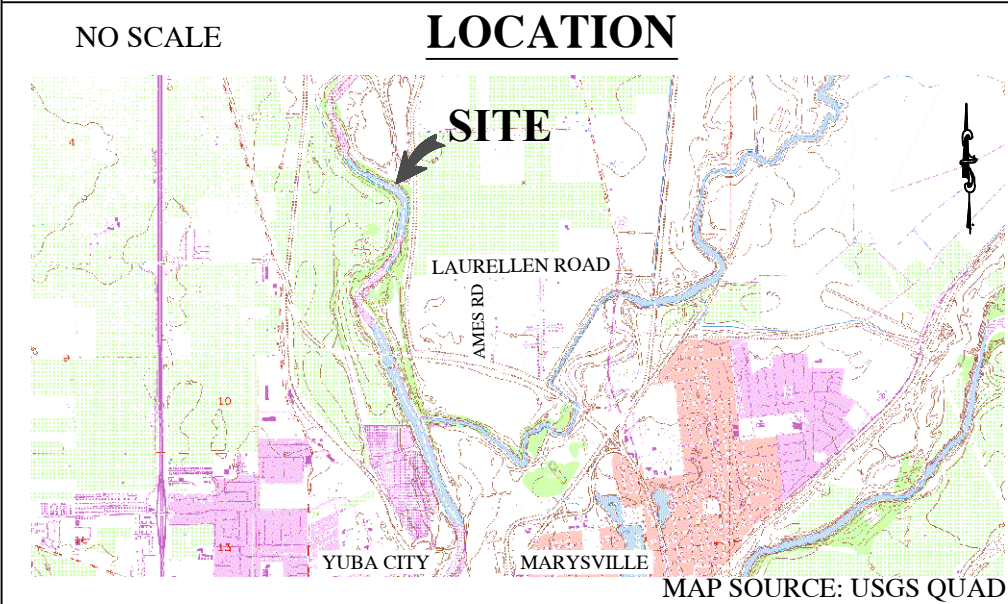
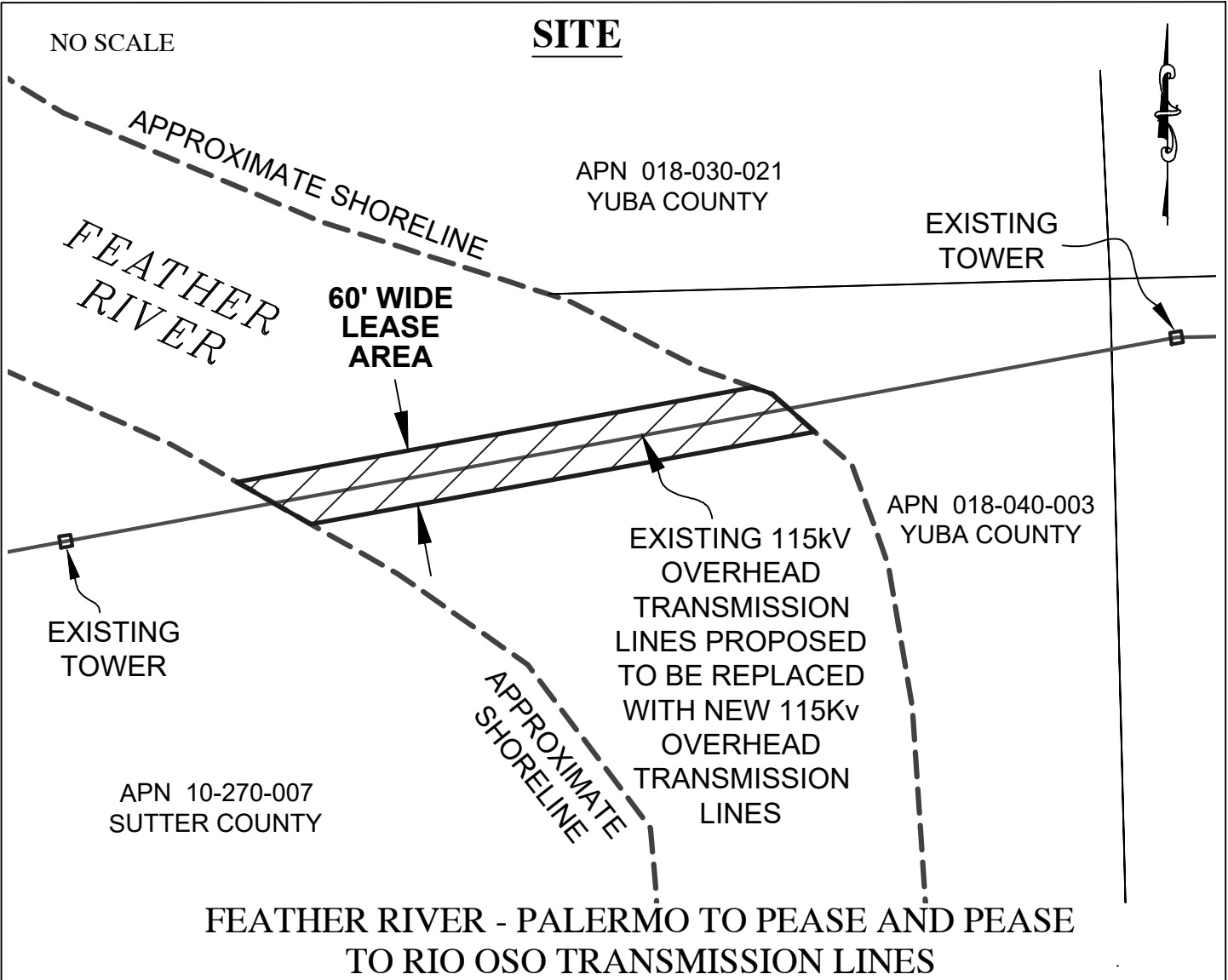


Exhibit B

W 27155
PACIFIC GAS & ELECTRIC
APNs 10-270-007 SUTTER
& 018-040-003 YUBA
GENERAL LEASE -
RIGHT-OF-WAY USE
YUBA & SUTTER COUNTIES



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.